

June 24, 2015

TO: Members of the Board of Trustees

FROM: Scott A. Jordan   
Executive Vice President for Administration and Chief Financial Officer

RE: UConn Foundation Master Agreement – Proposed Amendment and Fiscal Year  
2016 Statement of Work

RECOMMENDATION:

The University administration recommends that the Board of Trustees approve the resolutions below authorizing the University to amend the Master Agreement between the University and The University of Connecticut Foundation, Incorporated (the “UConn Foundation”). The proposed amendment will incorporate into the Master Agreement the UConn Foundation’s assumption of responsibility for performing alumni relations activities in support of the University.

The University administration also recommends that the Board of Trustees authorize the University to enter into a statement of work with the UConn Foundation pursuant to the Master Agreement for Fiscal Year 2016. The proposed statement of work outlines the specific fundraising, investment management, alumni relations activities and other related goals and objectives, and the financial consideration to be provided by the University, which have been agreed upon by the University and the UConn Foundation for the next fiscal year.

BACKGROUND:

In July 2014, the University and the UConn Foundation entered into a Master Agreement that detailed the relationship between the two entities and the responsibilities of the UConn Foundation with respect to performing development, investment and other services for the University. The UConn Foundation is a private organization, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that operates exclusively to promote the educational, research, cultural, and recreational objectives of the University.

The Master Agreement requires that the University and the UConn Foundation enter into statements of work from time to time outlining the specific goals and objectives, and the financial consideration to be provided by the University, that is agreed upon by the University and the UConn Foundation. The current statement of work expires June 30, 2015.

On April 1, 2015, the UConn Foundation assumed responsibility for performing alumni relations activities in support of the University pursuant to an addendum to the Master Agreement. During the last three months, the UConn Foundation has actively collaborated with the University and University of Connecticut Alumni Association, Inc. to develop an alumni engagement model that is inclusive of all University alumni, without any requirement for paying dues. The addendum for alumni relations activities also expires June 30, 2015.

The University and the UConn Foundation have agreed to incorporate into the Master Agreement the terms on which the UConn Foundation will continue to perform alumni relations activities in support of the University as it currently does pursuant to the addendum. The only substantive changes in the amendment to the Master Agreement are to incorporate alumni relations matters as follows:

- To incorporate the role and responsibility of the UConn Foundation with respect to performing alumni relations activities in support of the University;
- To ensure that the University and the UConn Foundation have and maintain a center for alumni on the University's Storrs campus;
- To permit the UConn Foundation to use the University's name, logo, seal and other marks in connection with its performance of alumni relations activities, including any affinity programs and corporate sponsorships approved by the University; and
- To require the UConn Foundation to perform the duties, and exercise the powers of, the University's alumni association, as are provided in General Statutes § 10a-103.

The University and the UConn Foundation have also agreed upon a statement of work that sets forth the specific fundraising, investment management, alumni relations activities and other related goals and objectives for Fiscal Year 2016. The goals and objectives established for next year include the following:

- A fundraising goal of \$78 million. Projected results for Fiscal Year 2015 are approximately \$72 million;
- Continuation of a five-year \$150 million goal aimed at doubling annual scholarships for the University (from \$15 to \$30 million);
- Implementation of a comprehensive Grateful Patient program in Cancer and Cardio programs; and
- Providing quality alumni programs and services that strengthen lifelong bonds between all members of the UConn family.

In consideration for the UConn Foundation's performance of such services during the next fiscal year, the University has agreed to pay the UConn Foundation \$8,065,000 during the Period, which payments will be made quarterly in advance in equal installments during the Period. In addition, the University will pay to the Foundation an amount not to exceed \$1,385,000 for those services formerly provided by the University of Connecticut Alumni Association, Inc., subject to the approval of the Executive Vice President for Administration and Chief Financial Officer, or his designee.

RESOLUTION:

In furtherance of the foregoing, the University recommends the Board of Trustees of the University approve the following resolutions:

RESOLVED, that the University's President and administration are hereby authorized to execute and deliver an amendment to the Master Agreement incorporating the terms described above and such other terms as may be deemed advisable and in the best interest of the University by the University's President and administration; and

RESOLVED, that the University's President and administration are hereby further authorized to execute and deliver a statement of work for Fiscal Year 2016 that sets forth the specific fundraising, investment management, alumni relations activities and other related goals and objectives described above and that provides that the University pay \$8,065,000 during the Period, which payments will be made quarterly in advance in equal installments during the Period. In addition, the University will pay to the Foundation an amount not to exceed \$1,385,000 for those services formerly provided by the University of Connecticut Alumni Association, Inc., subject to the approval of the Executive Vice President for Administration and Chief Financial Officer, or his designee, to the UConn Foundation to support such activities; and

RESOLVED, that the University's President and administration are hereby further authorized to execute, deliver and perform, in the name of and on behalf of the University, such certificates, instruments, documents and agreements as each of them may deem necessary, useful or required in furtherance of the foregoing resolutions.

FIRST AMENDED AND RESTATED MASTER AGREEMENT  
between  
THE UNIVERSITY OF CONNECTICUT  
and  
THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED

WHEREAS, the UNIVERSITY OF CONNECTICUT (hereinafter the “University” or “UConn”), Connecticut’s land grant university, whose statutory authority is set forth in Chapter 185b of the Connecticut General Statutes, and THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED (hereinafter the “Foundation”), a Connecticut non-stock corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), entered into an agreement effective July 1, 2014 (the “Original Agreement”) to outline the relationship between the parties and to assure compliance with the provisions of CONN. GEN. STAT. § 4-37e et seq., as they may be amended, and other applicable laws;

WHEREAS, pursuant to the Original Agreement the University designated the Foundation to assume primary responsibility for the University’s development efforts and the investment and administration of endowment funds established to benefit the University, and the Foundation agreed to undertake these responsibilities;

WHEREAS, the University and the Foundation entered into the First Addendum to Master Agreement, effective as of April 1, 2015, pursuant to which, among other things, the University designated the Foundation to assume primary responsibility for performing alumni relations activities in support of the University, and the Foundation agreed to undertake these responsibilities

WHEREAS, the mission of the Foundation is to solicit, receive, invest and administer gifts and financial resources from private sources for the benefit of all campuses and programs of the University (inclusive of the University’s Health Center), and, to this end, to support the University’s alumni relations activities; and the Foundation operates exclusively to promote the educational, research, cultural, and recreational objectives of the University; and as a primary fundraising vehicle to solicit and administer private gifts and grants which will enhance the University’s mission, the Foundation supports the University’s pursuit of excellence in teaching, research and public service;

WHEREAS, the University and the Foundation desire to set forth the terms on which the Foundation will continue to support the University by engaging in development efforts, investing and administering endowment funds established to benefit the University and performing alumni relations activities;

WHEREAS, Section 10.2 of the Original Agreement provides that it may be amended from time to time upon mutual written agreement of the parties, approval of their respective governing boards and approval as to form by the Office of the Attorney General;

NOW, THEREFORE, the Original Agreement is hereby amended and restated in its entirety by the execution of this First Amended and Restated Master Agreement dated effective July 1, 2015 (this “Agreement”), entered into between the University and the Foundation:

1.0 Relationship of the Parties

- 1.1 The University and the Foundation acknowledge that the University is a constituent unit of the State of Connecticut’s system of public higher education, as defined in CONN. GEN. STAT. §10a-1, and is responsible for the governance and administration of all the schools, colleges, divisions and departments of all the University’s campuses (including, without limitation, the University Health Center and the UConn School of Law); and the Foundation is an independent Connecticut non-stock corporation exempt from federal taxation under Section 501(c)(3) of the Code, and a “foundation” as defined under CONN. GEN. STAT§ 4-37e(2); that each entity is governed by separate governing boards; that each entity is permitted only to deposit funds to their respective accounts which are properly designated for that specific entity; and that each entity is subject to separate accounting, disbursement, and disclosure requirements as a matter of internal governance regulations and applicable state and federal law.
- 1.2 The Foundation and University are each independent entities and agree that neither shall have any liability for the obligations, acts or omissions of the other party, or the other’s trustees, directors, officers, employees and agents.
- 1.3 The Foundation will be governed, in accordance with its bylaws as amended from time to time, by a volunteer board of elected directors, which includes the following ex-officio non-voting (except as otherwise indicated) directors: the President of the University, the University’s chief academic officer, a senior administrator from the University Health Center, the chief financial officer of the University, a chief administrator from the Department of Athletics, the Chair of the Institutional Advancement Committee of the University Board of Trustees or any other member of the Institutional Advancement Committee as designated by the Chair of the Institutional Advancement Committee, the President of the Foundation (voting), a student enrolled at the University and elected by enrolled students, and a faculty member of the University (elected by the faculty). With respect to the University positions serving as ex-officio members of the Foundation board of directors, the positions will be identified consistent with titles in the University’s bylaws as amended by the University from time to time. The Foundation reserves all rights and powers granted to it under its charter and bylaws, the Connecticut non-stock corporation law and federal law.
- 1.4 This Agreement provides the terms and conditions of the relationship between the University and Foundation. From time to time, but in no event less frequently than once every five years, the Foundation and University will enter into statements of work (each, a “SOW”) which outline the specific fundraising, investment management, alumni relations activities and other related goals and objectives that the University and Foundation have agreed upon and the annual amount agreed to be paid (if any) to the Foundation for each fiscal year (Fiscal Year: July 1 – June 30) in consideration of the

Foundation's fundraising, investment management, alumni relations and other related services described in this Agreement.

- 1.5 The University and the Foundation will use their best efforts to ensure that Foundation activities contemplated by this Agreement comply with the Internal Revenue Code, particularly, Section 501(c)(3) and its regulations, and applicable state law, including without limitation CONN. GEN. STAT. § 21a-175 et seq.
- 1.6 The Foundation in its discretion will assign Foundation employees to work primarily with the University's alumni and other potential donors and with the administration and faculty of particular University schools, colleges and programs for the activities contemplated by this Agreement. The Foundation agrees that it will collaborate with the Deans and Directors of such schools, colleges, and programs in establishing objectives and performance expectations of such employees. The employees will also be permitted to perform general advancement and alumni relations work as requested by the school, college and program and agreed to by the Foundation. As an independent organization the Foundation has the authority to hire employees and otherwise develop its own human resources infrastructure and compensation policies to accomplish the mission of the Foundation.
- 1.7 At times the University may request the use of financial services of the Foundation to facilitate special fundraising or alumni events or other University projects, in accordance with best practices, that extend beyond the normal fiscal functions of the Foundation contemplated by this Agreement, to deposit and account for private gifts and to process routine disbursements. In such cases, the University shall request prior approval from the Foundation for the use of these services. The parties agree that the Foundation will be entitled to reasonable and appropriate compensation for such services. The University and the Foundation agree to make no commitment to a third party on behalf of the other without expressed prior written permission of such other party.
- 2.0 Fundraising Services
- 2.1 The University designates the Foundation as the primary entity to raise private financial support, manage philanthropic assets, and steward donors in support of the University. All University fundraising shall be directed by the Foundation. The parties will work closely to create a culture of philanthropy and provide the transformational support necessary for UConn to achieve its aspirations within all of the University's schools, colleges, athletic programs and the University Health Center. The University will engage the Foundation in strategic planning to develop University and unit priorities, long-range goals and associated fundraising needs. The University will advise and include the Foundation in matters related to the University's marketing, branding and other communications strategies to the extent that they are relevant to the Foundation's mission of supporting the University.
- 2.2 As set forth in a SOW entered into between the parties from time to time, the Foundation will use its best efforts to increase total voluntary support (gifts raised by the Foundation,

the UConn Law School Foundation, and the University (including non-governmental philanthropic research grants)); the Foundation will strengthen its principal, major, planned, and corporate and foundation giving programs; and the Foundation will also use its best efforts to enhance prospect identification, alumni participation rates, donor retention rates, and volunteer engagement.

3.0 Acceptance and Stewardship of Gifts

- 3.1 The Foundation will in its discretion establish and maintain gift acceptance policies. The Foundation shall make its best efforts to ensure that any monies received by the Foundation and defined in CONN. GEN. STAT. § 4-37g as “funds for deposit and retention in state accounts” are transferred to the University in a timely manner. The University and Foundation will jointly develop and maintain guidelines for determining the proper deposit of funds.
- 3.2 The Foundation will provide receipts and acknowledgments, as required by the Code, for all private gifts made for the benefit of the University, including gifts that will be assets of the University.
- 3.3 The Foundation will be responsible for coordinating University and Foundation activities related to thanking, acknowledging and stewarding donors. The University will assist the Foundation in such activity by, without limitation, providing to the Foundation, upon request, appropriate information on the use of charitable funds by the University.
- 3.4 The Foundation owns a private home located at 61 Scarborough Street in Hartford, Connecticut (“Foundation House”). The primary purpose of Foundation House is to advance the mission of the Foundation in support of the University by supporting fundraising, stewardship and engagement activities. For so long as the Foundation chooses to own Foundation House, it may be made available by the Foundation, in its discretion, to the University in support of University business under the terms of a separate agreement between the parties establishing terms and conditions for Foundation House’s use.
- 3.5 As appropriate, and in the best interest of the University, the Foundation in its discretion and in consultation with University Communications will be responsible for arranging press conferences, releases, print, web, radio, and television communications to acknowledge significant gifts to all University schools, colleges, departments and units.

4.0 Investment of Funds

- 4.1 The University and the Foundation entered a separate Endowment Management Agreement, dated April 28, 1996, authorizing the Foundation to manage endowed funds donated directly to the University as the University’s agent. This Agreement replaces and supersedes the Endowment Management Agreement in its entirety. The University designates the Foundation as the investment manager of all University endowment and quasi-endowment fund assets, but excluding those of the UConn Law School Foundation.

The Foundation will in its sole discretion maintain and modify investment and spending policies for such University endowment fund assets and for all Foundation assets (both endowed and non-endowed) that adhere to applicable federal and state laws, including the Uniform Prudent Investor Act (CONN. GEN. STAT§ 45-541 et seq.) and the Uniform Prudent Management of Institutional Funds Act (CONN. GEN. STAT. § 45a-535 et seq.). The Foundation as agent for the University in managing University endowment fund assets shall also have the following powers:

- (a) To invest and re-invest the University endowment assets in such securities and property as are from time to time legal investments for the Foundation;
- (b) To purchase, manage and sell property;
- (c) To exercise all conversion and subscription rights pertaining to any property;
- (d) To exercise all voting rights with respect to any investment and to grant proxies, discretionary or otherwise;
- (e) To cause any investments to be registered and held in the name of one or more of its nominees, or one or more nominees of any system for the central handling of securities, without increase or decrease of liability;
- (f) To collect and receive any and all money and other property due to the University endowment assets and to give full discharge therefore;
- (g) To commence or defend suits or legal proceedings to protect any interest of the University endowment assets; and to represent the University endowment assets in all suits or legal proceedings in any court or before any other body or tribunal, except that to the extent the interests of the University are implicated in any such suit or proceeding, the Office of the University's General Counsel and the Office of the Attorney General shall be notified of such suit or proceeding and shall provide legal representation to the University in connection therewith;
- (h) To employ agents and depositories, to delegate to them discretionary powers, to compensate them for their services and to reimburse their reasonable expenses; and
- (i) Generally to do all acts, whether or not expressly authorized, which the Foundation may deem necessary or desirable for the protection of the University endowment assets.

4.2 The Foundation's current endowment investment and spending policies aim to preserve intergenerational equity (purchasing power) and provide a relatively stable spending stream to meet the needs of the University and comply with donor intent. The Foundation will, in its discretion, establish and achieve a reasonable endowment benchmark rate of return based on prudent levels of risk, targeted spending and an inflation factor calculated

over a relevant rolling period. Such returns may also be benchmarked, in the Foundation’s discretion, for a risk adjusted return defined by strategic asset allocation policy long-term targets using measurable market and manager benchmarks. Specific benchmarks may be identified in a SOW.

- 4.3 The Foundation’s current non-endowed investment policy aims to provide sufficient liquidity and preserve capital for University needs. Specific benchmarks may be identified in a SOW.
- 4.4 The Foundation also agrees that it will act as the University’s agent for gifts of securities or other non-cash gifts that are donated to the University with the intention to be liquidated.
- 4.5 The Foundation will maintain such reasonable operating reserve as it determines appropriate to ensure continuity of its business operations in periods of economic uncertainty.
- 5.0 Expenditure of Funds
- 5.1 The University will use its best efforts to ensure that all available Foundation funds are timely utilized in accordance with donor intent. The Foundation will only approve disbursement requests received from the University that are properly authorized and in compliance with Foundation disbursement policies, which may include, without limitation, requirements that the request: complies with all donor imposed restrictions on the fund; supports the University’s mission and programs; represents a reasonable, legitimate and arm’s length business transaction; is properly authorized in the context of CONN. GEN. STAT. § 4-37e et seq.; and is compliant with all state laws applicable to University employees.
- 5.2 Annually, the President of the University shall certify to the Foundation a list (which shall be updated as changes occur) of University employees who are authorized to request disbursements from the Foundation (“Authorized Officials”). Requests for disbursements by the Foundation from an Authorized Official shall constitute a representation and certification by the Authorized Official that the disbursement is being made in accordance with University policies and procedures.
- 5.3 Requests for disbursement from the Foundation for the benefit of University employees or officers for any salary, fee, fringe benefit, loan or other compensation item (collectively “Compensation Items”) must be approved by the University President or his or her delegate, and paid by the Foundation, in accordance with CONN. GEN. STAT. § 4-37i and the University’s Policy Regarding Financial Transactions with the Foundation, adopted by the University Board of Trustees, and as amended from time to time (“University’s Policy Regarding Financial Transactions with the Foundation”) which defines the proper use of the Foundation’s fiscal services. Requests for disbursement from the Foundation for the benefit of the University President for any Compensation Item due him or her must be approved by the Chairman of the University Board of

Trustees in accordance with CONN. GEN. STAT. § 4-37i and the University’s Policy Regarding Financial Transactions with the Foundation.

5.4 The Foundation agrees to provide to the University, on a semi-annual basis, a summary of all fund balances held for the benefit of the University, disbursements provided to the University, and expenditures made on behalf of the University to third parties during the preceding six months.

5.5 In order to assist the University in its reporting responsibilities, the Foundation agrees to report annually to the University Controller all fixed asset expenditures made on behalf of the University.

6.0 Alumni Relations Activities

6.1 Roles and Responsibilities: The University and the Foundation recognize that alumni are key stakeholders of the University who provide valuable perspective to University leaders and are a source of significant support for the University’s goals. The Foundation will use its best efforts to foster the continued connection between the University and its alumni and cultivate and steward alumni relationships for the University by organizing programs, activities and communications that are in the best interests of the University and in furtherance of the goals and objectives as may be set forth in a SOW entered into between the parties from time to time.

6.2 Alumni Center: The University and the Foundation acknowledge the importance of, and agree to work in good faith to have and maintain, a center for alumni on the University’s Storrs campus. The location of and manner in which such center will be used and maintained by the University and the Foundation will be set forth in a SOW and other appropriate agreements entered into between the parties from time to time.

6.3 Affinity Relationships: The University acknowledges that the Foundation’s performance of alumni relations activities may be supported, in part, by affinity programs and corporate sponsorships mutually acceptable to the University and the Foundation. The University agrees to consider, in good faith, use of the University’s name, logo, seal, and other marks in connection with such affinity programs and corporate sponsorships, which such use will be subject to the prior review and written approval of the University.

6.4 Trustee Elections: In furtherance of the University’s Board of Trustees’ designation of the Foundation as the “alumni association” of the University for purposes of participating in elections of University graduates to the University’s Board of Trustees pursuant to Connecticut General Statutes § 10a-103, the Foundation will, in coordination with the University, perform the duties, and exercise the powers, as are set forth in Connecticut General Statutes § 10a-103.

7.0 Compensation for Foundation Services

- 7.1 In consideration for the Foundation’s fundraising, investment management, alumni relations and other related services described herein the University will provide the following compensation:
- (a) Service Fee: The University will provide a payment to support the Foundation’s general operations as agreed upon in a SOW.
  - (b) Endowment Administrative Fee: The Foundation may assess an endowment administrative fee on Foundation endowment and University endowment funds as determined in the Foundation’s discretion. The current rate for such fees will be provided in a SOW.
  - (c) Gift Fees: The Foundation in its discretion may assess gift fees on new gifts received. The current rate for such fees will be provided in a SOW.
  - (d) Retained Earnings: The Foundation will retain all investment earnings on non-endowed funds.
- 7.2 The University will also provide the following in-kind support without fee, charge, or reimbursement:
- (a) Alumni Lists: The University agrees to provide an electronic interface to enable the Foundation to extract, on a regular basis and in an automated fashion exclusively for the purpose of enabling the Foundation to achieve its mission, which mission may require, without limitation, the release of such information to third parties, the following: (1) student directory information pertaining to current and past University students consistent with its established Family Educational Rights and Privacy Act of 1974 (20 U.S.C. §1232g; 34 CFR Part 99) (“FERPA”) policy, (2) demographic information and protected health information pertaining to current and past patients of the University’s Health Center (“Patient Information”) consistent with the Health Insurance Portability and Accountability Act (“HIPAA”) of 1996 and related rules and regulations related to institutionally related foundations, as amended from time to time, (3) University employee names and campus contact information consistent with University personnel policies, (4) University students’ parents’ contact information, exclusive of any parents who have opted out of providing such information for Foundation purposes.
  - (b) Computer Network & Telecommunications Infrastructure: The University will provide to the Foundation standard University network and telecommunications infrastructure including, but not limited to, networking, internet access (including band width), and server rack space and power in the same manner as are provided to University departments and programs. The Foundation and University acknowledge and agree that the Foundation may be assessed fees or charges by the University for services other than the standard infrastructure described above,

but that such fees or charges will not exceed the rates paid for such services, in accordance with University policy, by University departments or programs.

- (c) Event Planning: The University will provide standard University Event services to the Foundation to assist in its fundraising and stewardship efforts.
- (d) Facilities: Employees of the Foundation will have the same privileges for parking and the use of University facilities as similarly situated employees of the University. Facilities include, but are not limited to, recreational and library facilities. The University will provide office space, furniture, printers, photocopiers, telephone service, storage space, and utilities used by Foundation employees assigned to fundraise for, and physically work in, the University's schools, colleges and units. The Foundation agrees that it will advise Foundation employees against the misuse or abuse of state equipment, including the prohibition against the use of state equipment for personal purposes, and require employees to report any misuse of which they become aware.

Pursuant to a Land Lease dated November 1, 1998, the University leased land located at 2390 Alumni Drive, Storrs, Connecticut to the Foundation for the purpose of constructing the Foundation's main office building, which is owned and operated by the Foundation. The Land Lease remains in effect in accordance with its terms.

- (e) University Personnel: The University agrees to allow the Foundation to utilize University employees for the Foundation's fundraising and alumni relations activities without additional compensation or reimbursement from the Foundation (except that out of pocket business expenses incurred thereby may be reimbursed by the Foundation in accordance with its policies) including, without limitation, the President, Provost, Associate Provosts, Executive Vice Presidents, Vice Presidents, Associate Vice Presidents, Deans, Director of Athletics, Directors, Associate Directors Department Heads, faculty and support staff. The University also agrees that the Foundation is allowed to utilize University employees (including those of the University Health Center) presently employed in positions that are primarily fundraising positions, for the Foundation's fundraising provided that in the event the incumbents in such primarily fundraising positions are no longer employed in such positions by the University, and the Foundation chooses to hire a new employee to perform the Foundation-related duties of this position, the new hire will be a Foundation employee, subject to restrictions imposed by any applicable collective bargaining agreement.
- (f) Mail Services: To the extent that it can do so, consistent with U.S. Postal Service statutes and regulations, the Foundation may use the University's mail system.
- (g) Intellectual Property: The University agrees that the Foundation may in connection with its lawful business and activities use the name of the University as well as the University's logo, seal, and other marks consistent with University

restrictions applicable to University departments; provided that any use of the University's name, logo, seal and other marks in connection with affinity programs and corporate sponsorships is subject to Section 6.3 hereof and, as provided therein, will be subject to the University's prior review and written approval.

- 7.3 Except as otherwise provided herein or agreed to by the parties, the Foundation will reimburse the University for expenses the University incurs as a result of Foundation operations, if the University would not have otherwise incurred such expenses including, without limitation, expenses related to the maintenance and operation of the Foundation's facilities. The Foundation may in its discretion and subject to its policies make its facilities available to University schools, colleges and units (and organizations which are affiliated with the University and which support the furtherance of the University's purpose) for events and programs primarily related to fundraising, alumni relations activities and other meetings. The Foundation may charge any fees for such usage directly to the relevant school, college, unit or organization.
- 8.0 Ownership and Management of Records
- 8.1 The Foundation will maintain appropriate financial and business records related to fundraising, investment, and other Foundation operations in a prudent manner. This will include, without limitation, a comprehensive, secure, state-of-the art electronic prospect management system and donor database, for which the Foundation will establish and maintain data integrity standards.
- 8.2 The University acknowledges and agrees that it does not have any ownership rights with respect to any Foundation information, records, documents or other materials provided to the University, including, but not limited to, donor records, gift records, financial records, or other Foundation business information which may have been derived from or related to information initially provided to the Foundation by the University. Any such Foundation information, records, documents or other materials including, without limitation, those maintained by the University will not be deemed public records and shall not be subject to disclosure pursuant to CONN. GEN. STAT. § 1-210. The Foundation will establish and enforce policies to protect the confidentiality of its records to the fullest extent allowable by law.
- 8.3 The Foundation may release information to third-parties exclusively for the purpose of accomplishing its mission provided that any such release is consistent with Foundation policies and applicable provisions of law, including without limitation, the applicable provisions of FERPA and HIPAA.
- 8.4 Without limiting the foregoing, the Foundation agrees (1) to enter into a data use and confidentiality agreement with any third-parties that will receive Patient Information, requiring such third-parties to hold such Patient Information confidential and to implement safeguards against further disclosure in a manner consistent with HIPAA, or (2) to allow the University to enter into a business associate agreement with such third-

parties and permit the University (including the University Health Center) to provide such Patient Information to such third-parties directly. The Foundation agrees that it will include in any fundraising materials sent using Patient Information a description in accordance with HIPAA of how individuals may opt-out of receiving further fundraising communications. The Foundation also agrees to honor opt-out requests received. The Foundation agrees to maintain any Patient Information received from the University in a manner consistent with the requirements of 45 C.F.R. Parts 160 and 164 (the “HIPAA Privacy Rule”) pertaining to institutionally related foundations. The Foundation agrees to establish processes and procedures sufficient to limit access to such Patient Information to Foundation personnel with a need to access such information. The University, through the University Health Center’s Privacy and Security Offices, agrees to periodically offer, and provide at no cost to the Foundation, training to Foundation personnel on the HIPAA Privacy Rule and its implications for institutionally related foundations and the Foundation will require Foundation personnel who will have access to Patient Information to attend such HIPAA training.

8.5 The Foundation agrees not to share or disclose information with third parties in a manner inconsistent with this Agreement, unless required to do so by law or other agency regulations.

8.6 The Foundation is aware of and supports the University’s Identity Theft Prevention Program as approved by the University’s Board of Trustees. The Foundation agrees to report any violations of the University’s Identity Theft Prevention Program which it becomes aware of to the University’s Office of Audit, Compliance and Ethics (“OACE”) as soon as possible.

9.0 Audits and Legal Advice

9.1 The Foundation shall be responsible for retaining and compensating the independent auditing firm required by CONN. GEN. STAT. §4-37f(8). The audit report shall include financial statements, a management letter and an audit opinion which address the conformance of the operating procedures of the Foundation with the provisions of sections 4-37e to 4-37i (including, without limitation, whether funds for deposit and retention in state accounts have been deposited and retained in Foundation accounts in violation of section 4-37g), and recommend any corrective actions needed to ensure such conformance.

9.2 The Foundation will permit the University’s OACE to conduct, if it so chooses, an annual examination of Foundation disbursements for compliance with the University’s Policy Regarding Financial Transactions with the Foundation. The Foundation will also permit the University’s OACE to conduct, if it so chooses, a post-deposit review of any gift, including reviewing checks, gifts, agreements and other supporting documentation for compliance with CONN. GEN. STAT. § 4-37e et seq. and the policy concerning the University Role and Review of Foundation Deposit of Funds, approved by the University and Foundation as of August 2006, as amended from time to time.

9.3 The Foundation shall provide a copy of each audit report completed pursuant to CONN. GEN. STAT. § 4-37f(8) to the President of the University.

9.4 The Foundation shall have its own legal counsel and shall be responsible for all costs for Foundation legal services.

10.0 Non-discrimination and Executive Orders

10.1 References in this section to “Contract” shall mean this “Agreement” and references to “Contractor” shall mean the “Foundation.”

(a) For purposes of this Section, the following terms are defined as follows:

(i) “Commission” means the Commission on Human Rights and Opportunities;

(ii) “Contract” and “contract” include any extension or modification of the Contract or contract;

(iii) “Contractor” and “contractor” include any successors or assigns of the Contractor or contractor;

(iv) “gender identity or expression” means a person’s gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person’s physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person’s core identity or not being asserted for an improper purpose.

(v) “good faith” means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;

(vi) “good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;

(vii) “marital status” means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;

(viii) “mental disability” means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association’s “Diagnostic and Statistical Manual of Mental Disorders”, or a record of or regarding a person as having one or more such disorders;

(ix) “minority business enterprise” means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and

(x) “public works contract” means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms “Contract” and “contract” do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers’ representative of the Contractor’s commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested

by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

10.2 This Agreement is subject to the provisions of Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, all of which are incorporated into and are made a part of this Agreement as if they had been fully set forth in it. At the Foundation's request, the University shall provide a copy of these orders to the Foundation.

#### 11.0 General

11.1 The Foundation may in its discretion enter into written agreements, for such purposes as it determines necessary or appropriate, with other University affiliates including, without limitation, the University of Connecticut Law School Foundation, Inc. and the UConn Advocates.

11.2 This Agreement may be amended from time to time at the request of either party. Any such amendment shall be set forth in writing by the parties and shall require the approval of both governing boards and approval as to form by the Office of the Attorney General.

11.3 This Agreement is governed by the laws of the State of Connecticut.

11.4 No right or duty, in whole or in part, of either party to this agreement may be assigned or delegated without the prior written consent of the other party.

11.5 The term of this Agreement shall commence on July 1, 2015, subject to approval as to form by the Office of the Attorney General, and shall continue for a period of five years (5) years. The term of this Agreement may be extended for an additional period of time with the mutual written agreement of the parties. This Agreement may be terminated by either party upon one year’s prior written notice. Upon any expiration or termination of this Agreement, or if the Foundation ceases to exist, or ceases to be a foundation as defined in CONN. GEN. STAT. § 4-37e(2), then (a) the Foundation shall be prohibited from using the name of the University, (b) the records of the Foundation, or copies of such records, shall be made available to and may be retained by the University, provided any such records or copies which are retained by the University shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of CONN. GEN. STAT. § 1-210, and (c) the Foundation’s Board of Directors will, in consultation with the University, dispose of the Foundation’s assets, consistent with the Foundation’s certificate of incorporation, its bylaws, state and federal laws, and such restrictions as may have been imposed by donors.

**FOR THE UNIVERSITY OF CONNECTICUT**

\_\_\_\_\_  
Susan Herbst  
President, University of Connecticut

\_\_\_\_\_  
Date

\_\_\_\_\_  
Scott Jordan  
Executive Vice President and  
Chief Financial Officer, University of Connecticut

\_\_\_\_\_  
Date

**FOR THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED**

\_\_\_\_\_  
Coleman Levy  
Chair, The University of  
Connecticut Foundation, Incorporated

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joshua R. Newton  
President, The University of  
Connecticut Foundation, Incorporated

\_\_\_\_\_  
Date

**APPROVED AS TO FORM**

\_\_\_\_\_  
By,  
Associate Attorney General,  
Connecticut State Attorney General’s Office

\_\_\_\_\_  
Date

DRAFT

## Statement of Work FY16

This Statement of Work FY16 (this "SOW"), effective the 1<sup>st</sup> day of July, 2015, is made between UNIVERSITY OF CONNECTICUT ("University"), Connecticut's land grant university, whose statutory authority is set forth in Chapter 185b of the Connecticut General Statutes, and THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED ("Foundation"), a Connecticut nonstock corporation that is exempt from taxation under 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The University and the Foundation have entered into an Amended and Restated Master Agreement dated July 1, 2015 (the "Agreement") under which the Foundation has responsibility for development efforts for the benefit of the University, management of endowment funds designated to benefit the University and for performing alumni relations activities in support of the University.

The Agreement stipulates that the University and Foundation will from time to time, but in no event less frequently than once every five (5) years, enter into statements of work which outline the specific fundraising, investment management and alumni relations activities goals and objectives that the University and Foundation have agreed upon and the consideration to be provided to the Foundation each fiscal year. This SOW covers the period July 1, 2015 through June 30, 2016 ("Period").

### 1. Payments

The University agreed to provide certain in-kind consideration to the Foundation for its services under the terms of the Agreement. In addition to agreeing to provide such in-kind consideration, the University further agrees to provide the following consideration to the Foundation for each year of the Period:

- a) Service Fee: The University will pay a guaranteed amount to the Foundation of \$8,065,000 during the Period, which payments will be made quarterly in advance in equal installments during the Period. In addition, the University will pay to the Foundation an amount not to exceed \$1,385,000 for those services formerly provided by the University of Connecticut Alumni Association, Inc., subject to the approval of the Executive Vice President for Administration and Chief Financial Officer, or his designee.
- b) Other Fees: The University agrees that Foundation operations will also be funded by an annual endowment administrative fee, and a gift fee on contributions and earnings on non-endowed Foundation assets.
  - 1) The Foundation will assess and retain an endowment administrative fee, as reasonably determined by the Foundation, on all endowment assets (University and Foundation assets) invested by the Foundation. The Foundation's endowment administrative fee is generally calculated annually on March 31<sup>st</sup> ("Calculation Date") and presently equals one and one-half percent (1.50%) of the rolling prior twelve (12) quarter average unitized market value of the long-term pooled investment portfolio multiplied by the number of units held by each endowed fund. The Foundation, from time to time, may change the endowment administrative fee and will notify the University, in writing, of any changes to the endowment administrative fee made during the Period. The endowment administrative fee owing to the Foundation will be

transferred to Foundation operating funds in four equal installments on the first day of each quarter following the Calculation Date (April 1<sup>st</sup>, July 1<sup>st</sup>, October 1<sup>st</sup>, and January 1<sup>st</sup>).

- 2) The Foundation will assess and retain gift fees on all gifts deposited in the Foundation, as reasonably determined by the Foundation. The Foundation's gift fee for endowed gifts is presently three percent (3%) of the value of the gift as of the date of receipt. The Foundation's gift fee for non-endowed gifts is presently five percent (5%) of the value of the gift as of the date of receipt. Twenty-five percent (25%) of any non-endowed gift fee (or 1.25%) may be transferred to Foundation operating accounts supporting the school, college or unit supported by the fund to which the original gift was designated. The remaining seventy-five percent (75%) of any non-endowed gift fees (3.75%) is retained by the Foundation to support its operations. The Foundation, from time to time, may change the gift fees and will notify the University, in writing, of any changes to the gift fees made during the Period.
  - 3) The Foundation will retain all investment earnings on non-endowed Foundation assets.
- c) Use of Facilities: The University and the Foundation acknowledge that (i) certain alumni relations activities are expected to be performed during the Period at the Alumni Center, located at 2384 Alumni Drive, and using certain fixed assets, furnishings, computers and hardware located at the Alumni Center; and (ii) the Alumni Center and the fixed assets, furnishings, computers and hardware located at the Alumni Center, are currently owned by University of Connecticut Alumni Association, Inc. ("UCAA"). To the extent the University obtains a right from UCAA to use the Alumni Center, its parking lot and the fixed assets, furnishings, computers and hardware located at the Alumni Center for University purposes, the University will grant the Foundation a nonexclusive license, during the period of time in which such right is obtained from UCAA, to use the Alumni Center, its parking lot and the fixed assets, furnishings, computers and hardware located at the Alumni Center pursuant to the terms and conditions described in Schedule 1 to this SOW. If, at any time during the Period, the University obtains title to the Alumni Center, the Foundation and the University agree to negotiate, in good faith, the terms of a formal lease agreement setting forth the terms and conditions upon which the University will lease the Alumni Center to the Foundation for the purpose of performing alumni relations activities and for such other purposes as may be agreed upon by the parties, which such terms and consistent will be consistent with those described in Schedule 1 to this SOW. If the Alumni Center is not available for use during the Period, the University and the Foundation will endeavor to find facilities, within space available, suitable for performing alumni relations activities, in a manner mutually agreed upon by the University and the Foundation.

## **2. Foundation Mission**

The Foundation operates to support the University and fulfills this mission primarily through fundraising, asset management and related support activities. Among such activities the Foundation cultivates, solicits, acknowledges and receipts gifts; administers, invests and disburses funds; maintains constituent records; manages and coordinates communications with constituents; performs alumni relations activities; and presently serves as the sole shareholder of The University of Connecticut Research and Development Corporation d/b/a UConn Ventures ("UConn Ventures"), a Connecticut for-profit stock corporation incorporated in the State of Connecticut for the purpose of facilitating the commercialization of University research and technology.

### 3. Fundraising and Alumni Engagement Goals and Benchmarks

In consideration of the compensation provided to Foundation by the University under the terms of the Agreement and this SOW, the Foundation, consistent with its mission, agrees as follows:

The Foundation will continue its efforts to increase total private gift revenue toward an annual target of seventy-eight million dollars (\$78M) in new gifts and commitments for the University (inclusive of support for the UConn Health Center), by June 30, 2016, such amount to be calculated in accordance with the Foundation's reasonably established gift counting policy, as amended from time to time. The annual strategies will include:

a) Increase donor engagement

- 1) Utilize the University President, Provost, Deans and Program Directors in strategic donor outreach at the six-figure level and above.
- 2) Strengthen UConn Foundation Board of Directors giving with a target of surpassing the national average of 14% of total annual commitments.
- 3) Increase the role of the UConn Health Center Board of Directors in fundraising for all health science programs.
- 4) Continue to focus on building customized engagement strategies for principal gift donors and prospects, understanding this group will have a disproportionate impact on the ability to reach and exceed goals.
- 5) Increase contact and deepen engagement of donors and prospects at the \$50K+ rated level through more efficient deployment of appropriate numbers of full time frontline fundraisers, effectively utilizing prospect research and screening data.
- 6) Facilitate stronger collaboration in donor strategy working across the Foundation and the University, using Prospect Management meetings to review and discuss the status of top donor strategies and package comprehensive proposals. Engage deans and directors in strategy discussions and direct implementation of fundraising. Increase engagement of University President and Provost with key University stakeholders.

b) Align fundraising with University priorities

- 1) Continue enrollment management scholarship fundraising with increased focus on a five-year \$150 million goal aimed at annually doubling scholarship support for the University (from \$15M annually to \$30M annually).
- 2) Implement a comprehensive Grateful Patient program in Cancer and Cardio programs supported by direct mail outreach and personalized follow up from staff.
- 3) Complete funding for Basketball Champions Center and continue fundraising for soccer, softball and baseball projects.
- 4) Maintain an emphasis on endowment fundraising to improve on the current three-year average of \$17.3M per year.
- 5) Begin preparations to launch teaching/research and facility fundraising campaigns.
- 6) Support School and College fundraising priorities.

c) Increase alumni engagement

- 1) Strengthen lifelong bonds between all members of the UConn family by inspiring pride and providing quality programs and services which enhance the engagement of the diverse university community.
- 2) Enrich the lives of alumni by offering them remarkable learning experiences through engagement with the University of Connecticut.
- 3) Increase alumni gifts of time, talent, and treasure by creating meaningful opportunities for alumni to be engaged and involved on behalf of the University through, for example, local chapter networks.
- 4) Develop an exemplary Alumni organization respected for its energy, expertise, effectiveness, and inclusiveness.

d) Enhance external and internal communications

- 1) Help educate faculty and staff across the University community about the important role of cultivating and stewarding private support.
- 2) Develop fundraising focused companion communication material related to the academic vision, as well as the “transforming lives” scholarship initiative.
- 3) Coordinate communications to alumni and donors with the University.
- 4) Continue efforts to educate the legislature, and general public, regarding the important role the Foundation plays in providing support to the University.

e) Increase operational efficiencies

- 1) Establish new metrics and goals for Annual Giving, while continuing to transition front line development staff toward more active portfolio management.
- 2) Strengthen stewardship for donors at various levels, including \$1K or more annual donors, as well as lifetime donors of \$100K or more.
- 3) Continue to integrate Regional Major Gift program into fundraising and event strategies.
- 4) Retain staff and increase investment in staff training.

**4. Investment Benchmarks**

a) The Foundation in its discretion will establish appropriate investment benchmarks for assets invested for the benefit of the University, both those owned by the Foundation and those owned by the University. The Foundation will provide to the University’s President and Chief Financial Officer a summary report of its investment risk and return benchmarks during the Period. The Foundation will use reasonable efforts to maintain the following benchmarks during the Period:

- 1) The target return on Foundation investments will be 5.5% plus inflation.
- 2) The Foundation will limit to 12% the level of volatility on an annualized basis based on the Foundation’s Board of Director’s policy.
- 3) The Foundation’s target risk adjusted return measured by Sharpe ratio will be 1.0 or greater measured over rolling periods.

b) The Foundation will, for so long as it determines it to be in its best interests and those of the University, continue to retain its 100% ownership interest in UConn Ventures. The Foundation will exercise its rights as a shareholder, including but not limited to election of directors and approval of auditors. The Foundation will obtain from UConn Ventures an annual financial report and narrative report on operations and activities and will share this information with the University.

## 5. State Contract Requirements

The state contracting requirements set forth in Section 10 of the Agreement are incorporated herein by reference, to the extent necessary.

## 6. Amendment

This SOW may be modified or amended in whole or in part by mutual written agreement signed by duly authorized representatives of each of the parties.

## 7. Governing Law

This SOW is governed by the laws of the State of Connecticut. If there shall be any inconsistency between the provisions of this SOW and the Agreement, the provisions of the Agreement shall control.

FOR THE UNIVERSITY OF CONNECTICUT

\_\_\_\_\_  
Susan Herbst, Ph.D.  
President, University of Connecticut

\_\_\_\_\_  
Date

\_\_\_\_\_  
Scott A. Jordan  
Executive Vice President for Administration and  
Chief Financial Officer, University of Connecticut

\_\_\_\_\_  
Date

FOR THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED

\_\_\_\_\_  
Coleman Levy  
Chair, The University of Connecticut  
Foundation, Incorporated

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joshua R. Newton  
President, The University of Connecticut  
Foundation, Incorporated.

\_\_\_\_\_  
Date

*APPROVED AS TO FORM*

\_\_\_\_\_  
Associate Attorney General,  
Connecticut State Attorney General's Office

\_\_\_\_\_  
Date

DRAFT

Schedule 1 to SOW FY16

Alumni Center License Terms

- 1) No fees will be charged by the University for the Foundation's use of the Alumni Center, its parking lot and any fixed assets, furnishings, computers and hardware located at the Alumni Center; provided, however, that the Foundation will be responsible for any damage to the Alumni Center caused by the Foundation, reasonable wear and tear excepted.
- 2) The Foundation acknowledges that the University may adopt reasonable rules and regulations regarding the use of the Alumni Center, including its parking lot and the fixed assets, furnishings, computers and hardware located at the Alumni Center, from time to time during the Period. The Foundation agrees to comply with any such reasonable rules or regulations and other applicable University policies, if the Foundation uses the Alumni Center, parking lot or any fixed assets, furnishings, computers or hardware maintained at the Alumni Center.
- 3) During the period of time during the Period in which UCAA grants the University the right to use the Alumni Center, the University (i) will be responsible for repairing and maintaining, in its discretion, all structural and exterior components of the Alumni Center; and (ii) will provide or require that UCAA continue to (a) provide utilities to the Alumni Center; and (b) maintain adequate insurance for the Alumni Center. The Foundation will be responsible for keeping and maintaining in good condition and repairing, in its discretion, all nonstructural and interior components of the Alumni Center, any fixed assets, furnishings, computers and hardware located at the Alumni Center and all utility and building equipment servicing the Alumni Center, such as HVAC, plumbing, and electric wiring.